

**COUNTY OF SAN MATEO**

Report to Board of Supervisors and Grand Jury  
– Single Audit

For the Fiscal Year Ended  
June 30, 2007

6/9/08  
Mgt. Ltr

COUNTY OF SAN MATEO

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– Single Audit  
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To the Honorable Board of Supervisors and  
Grand Jury of the County of San Mateo  
Redwood City, California

In planning and performing our audit of the basic financial statements of the County of San Mateo (County) for the year ended June 30, 2007, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

During our audit we noted certain matters involving internal controls and their operation, and submitted for your consideration related recommendations designed to provide the County with a stronger system of internal control while also making its operations more efficient in a separate letter dated December 5, 2007. We are submitting this letter to you summarizing the status of our prior year recommendations presented to you in a letter dated April 19, 2007 based on our completion of the single audit for the year ended June 30, 2006. Our comments reflect our desire to be of continuing assistance to the County. This letter does not affect our report dated December 6, 2007, on the basic financial statements of the County.

We will continue to review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

This letter is intended solely for the information and use of the Board of Supervisors, the Grand Jury of the County, County management and others within the County and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Gini & O'Connell LLP*  
Certified Public Accountants  
Walnut Creek, California

March 19, 2008

# COUNTY OF SAN MATEO

## Report to Board of Supervisors and Grand Jury - Single Audit For the Fiscal Year Ended June 30, 2007

### CURRENT YEAR RECOMMENDATION

None.

### STATUS OF PRIOR YEAR RECOMMENDATIONS

The County continues to make efforts to address our recommendations made as part of our prior years audits. Following is an update of the status of comments made in our Report to Board of Supervisors and Grand Jury dated April 19, 2007.

Prior Year Recommendations	Status
<b>2006-1, Formal Review Process for Housing Quality Inspections</b>  We recommend that the Housing Department revisit and revise its housing quality inspection procedures to ensure that all completed inspections are reviewed and authorized by a knowledgeable official upon completion.	<b>Not implemented.</b>  The Housing Department updated its housing quality inspection procedures to ensure that all completed inspections are reviewed and authorized by a knowledge official upon completion. However, the Housing Department did not perform any housing quality inspections during FY 2006-07.  This was reported as finding 2007-02 in the FY2006-07 Single Audit Report dated March 19, 2008.
<b>2005, Grants Management</b>  We recommended the County establish a Grants Manual to provide guidance on proper grant management and to improve the capture of information for year-end reporting requirements.	<b>In progress.</b>  The County Manager's Office is in the process of compiling a grant management manual to centralize the County's grant reporting policies and procedures. The County recently held a conference with department personnel to discuss the content of the grant management manual. The County expects to release the manual in FY 2008-09.